

Date: February 18, 2014

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Department of Community Development
Subject: Contract Amendment for Southside West Neighborhood Site Preparation and Infrastructure Improvements with D.H. Griffin Infrastructure, LLC

Executive Summary

On April 15, 2013, City Council approved an agreement with D.H. Griffin Infrastructure, LLC (DHGI) in the amount of \$1,659,881.00 to provide site preparation and infrastructure improvements for the preparation of 48 lots as part of the initial homeownership phase of the Southside West redevelopment effort. As work has progressed, the need for additional services was revealed based on unforeseen conditions at the site to include soil and rock removal, additional site preparation and paving along with third party testing. This will require a contract amendment with DHGI in the amount of \$477,000.00. The original scope of work includes the partial demolition and removal of existing street surfaces and infrastructure, installation of erosion and sedimentation control measures and the mass grading of 48 properties located along South Street, W. Piedmont Avenue, Scout Drive and Hillside Avenue. Additional specifications includes the installation of new street surfaces, curbs, sidewalks, street trees, water and sewer lines and storm drainage to serve all 48 homeowner units.

Recommendation

The Department of Community Development recommends that City Council authorize the expenditure of \$477,000.00 in Community Development Block Grant funds for additional site preparation and infrastructure activities in the Southside neighborhood; authorize the City Manager to amend the existing Agreement to Provide Neighborhood Site Preparation and Public Infrastructure Improvements in the Southside Neighborhood with D.H. Griffin Infrastructure, LLC. in an additional amount up to \$477,000.00 for a total contract amount of \$2,136,881.00.

Background

On April 15, 2013, the City Council approved a site preparation and infrastructure contract with D.H. Griffin Infrastructure, LLC in the amount of \$1,659,881.00 to provide site preparation and infrastructure improvements for the initial phase of the Southside West redevelopment effort. Work is currently underway to include demolition of the existing streets and infrastructure in the defined area, mass grading of the site and site preparation and infrastructure improvements for the 48 lots. Remaining tasks include the installation of new water and sewer services along the sections of South and Chestnut Streets and West Piedmont Avenue within the defined project area, the installation of decorative trees and

fencing along retaining walls, the construction of gateways at South and Fargo Streets and the installation of asphalt on Hillside Avenue and South and Chestnut Streets and West Piedmont Avenue along with the final grading of the lots. Weather permitting; the final completion date for the site preparation and infrastructure improvements is May of 2014.

Issues/Analysis

As the contractor continues the scope of work outlined in the contract, it appears the following items will exceed the quantities allowed for in the original agreement. During the demolition of the existing streets and infrastructure, rock was encountered and is estimated to exceed the allowance in the contract by 1500 cubic yards. Flowable fill which is a material used for backfilling the areas where the new water and sewer services will be installed will exceed the allowance by approximately 475 cubic yards and the "stripping" of topsoil for storage and respread will exceed the allowance by approximately 2750 cubic yards. Due to the additional monitoring and third party verification for the rock, flowable fill and topsoil respread, the costs for the third party testing firm will also increase. Additionally, the driveway aprons were not included in the original bid package are now included in the contract amendment amount. In the original specifications, only a portion of Hillside Avenue where the underground utilities were being demolished and replaced were scheduled for road replacement with the remaining linear footage to be milled and provided with a 1" overlay of new asphalt. Due to the condition of the remaining area of Hillside Avenue, it has been recommended by the third part testing firm and the Public Works Department to remove the existing pavement, test the subgrade, repair as needed and install asphalt as required.

During the planning and bid process, it was originally planned to have all remaining units demolished before DHGI began their site preparation and infrastructure improvements. Due to delays in relocating residents in the fourplexes at South and Fargo Streets and an existing homeowner from Hillside Avenue, demolition was not completed by the time DHGI began work. To allow DHGI to begin on schedule, staff requested a cost estimate which was approved under the existing contingency account. Staff is requesting that this amount be added to the contract amount which adds the requested amount back to the existing contingency fund.

As work has progressed, it has become apparent that the current condition of the vacant Self-Help owned lots adjacent to the project area on West Piedmont Avenue could have an impact on the overall marketing of the homeownership units. Vegetation on those lots also provides a hiding place for questionable activities. The additional amount includes the surveying, demolition of an existing house, tree removal and labor and materials required to excavate to proposed grades which will also allow these lots to be marketed for homeownership.

Alternatives

Without approval of the contract amendment, other activities within the scope of work would be eliminated to account for the additional costs. As the activity is underway, not funding the contract amendment has the potential to delay or stop the completion of the site preparation and infrastructure improvements for the 48 lots. This would not only have a negative effect on the plans for the homebuilders but on all the activities that the department has successfully completed in the community.

Financial Impact

The financial impact associated with the Site Preparation and Infrastructure Contract Amendment will be a maximum amount up to \$477,000.00 in Community Development Block Grant funds. \$301,192.48 is currently available and budgeted for this activity out of FY2012-13 CDBG funds. The remaining balance of \$175,807.52 will be funded out of FY2013-14 CDBG funds that have been budgeted for Site Preparation and Infrastructure activities in Southside. The funds are available in the following accounts:

1113DO13	728600	QWH1F	\$272,783.58
1113DO13	764000	QWH1F	\$28,408.90
1150DO14	764000	DCM14	\$175,807.52

Below is a summary and estimate of the additional costs.

Description of Work	Unit	Additional Quantity	Unit Price	Amount
Rock Removal	Cubic Yard	2,000	\$50.00	\$100,000.00
Flowable Fill	Cubic Yard	475	\$150.00	\$71,250.00
Strip Topsoil	Cubic Yard	2700	\$4.50	\$12,150.00
Driveway Aprons	Square Foot	4800	\$10.00	\$48,000.00
Additional Testing	Lump Sum	-	-	\$19,000.00
Demolition of Quads	Lump Sum	-	-	\$66,560.00
Hillside Pavement Replacement	Lump Sum	-	-	\$71,000.00
Additional Grading Piedmont	Lump Sum	-	-	\$101,190.00
Total				\$477,000.00

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the amendment to the contract with D. H. Griffin Infrastructure, LLC of Greensboro, North Carolina. They will provide additional subcontracting opportunities to the following certified firms:

Firm	ID	City/State	
LaCayo Concrete Flatwork, Inc.*	MBE	Rougemont, NC	\$26,000
RDU Paving	WDBE	Graham, NC	\$24,000

*LaCayo Concrete Flatwork, Inc. is certified as a MBE with the North Carolina Department of Transportation whose participation can be counted.